

CONFIDENTIAL STIPULATION BETWEEN SMALL CLECS AND U S WEST

WHEREAS, HomeTown Solutions, LLC; Hutchinson Telecommunications, Inc.; Mainstreet Communications, LLC; Onvoy Communications Corporation; NorthStar Access, LLC; Oter Tail Telecom, LLC; Paul Bunyan Rural Telephone Cooperative; Tekstar Communications, Inc.; VAL-ED Joint Venture, LLP and WETEC LLC, all of whom are small, rural competitive local exchange carriers ("Small CLECs") and U S WEST Communications, Inc. ("U S WEST"), have reached a settlement agreement that resolves certain business issues and disputes between the Small CLECs and U S WEST (collectively "Parties"), as outlined below:

WHEREAS, the Confidential Stipulation between the Parties includes both regulatory and non regulatory components; and

WHEREAS, as a result of this Confidential Stipulation and Agreement, the Small CLECs have agreed to withdraw their opposition to and to encourage the expeditious processing of the review of the proposed merger between U S WEST, Inc. and Qwest Communications International, Inc. ("Qwest"); and

NOW, THEREFORE IT IS AGREED THAT:

1. Toll Services.

U S WEST agrees to be a toll provider (intraLATA and interLATA when it is allowed) for Small CLEC end user customers in Minnesota exchanges where U S WEST is also providing toll services. U S WEST will be the toll provider only when the Small CLEC end user customer specifically requests that U S WEST be the end user's toll provider for toll service. This obligation does not impact or address U S WEST's obligation to be a toll provider to end user customers of incumbent LECs and is subject to all of the following conditions:

- a. The individual Small CLEC end user customer that receives local service from the Small CLEC, and requests U S WEST as their toll provider, is identified as the U S WEST customer of record for toll;

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b. The Small CLEC cooperates with U S WEST in the Small CLEC provisioning of Billing Name and Address ("BNA") and originating call detail in EMR/EMI format as necessary for U S WEST to identify and bill any end user(s) who have requested U S WEST as their toll provider;

c. At U S WEST's request, the Small CLEC provides U S WEST with originating call detail records (recording service) for all Small CLEC end office originating toll traffic for which U S WEST is the toll provider;

d. If requested by U S WEST, the Small CLEC provides recording, rating, message processing, billing, collection functions and bill inquiry services (B&C) to U S WEST at rates mutually agreed to by U S WEST and the CLEC. If the Small CLEC performs the B&C functions for U S WEST, the Small CLEC agrees to make reasonable modifications to their billing system in order to bill optional toll calling plans, volume discounts, etc., as requested by and at no additional charge to U S WEST. To the extent the Small CLEC is unwilling or unable under a B&C agreement to make such modifications, the Small CLEC would agree not to contest in any public, regulatory or legal forum, U S WEST offering such calling plans to current or future Small CLEC end users selecting U S WEST as their toll provider; and

e. The Small CLEC works cooperatively with U S WEST to identify on a timely basis past due accounts and to disconnect U S WEST toll service due to non-payment.

f. The intrastate access rates for the Small CLECs shall be those access rates approved by the Commission.

----- U S WEST will begin accepting IntraLATA customers served by the Small CLECs effective the first day of the first month after signing this Agreement, subject to the above

conditions including the successful negotiations of traffic routing details, billing and collection agreements and/or agreements on providing customer and call detail information, including rates/processes etc. U S WEST's obligation to provide toll service pursuant to this Confidential Stipulation will expire July 1, 2003, at which time U S WEST's obligation to provide toll service to the Small CLECs in Minnesota will be based upon existing obligations under current federal and state law at that time, if any.

2. Operational Support Systems ("OSS").

a. U S WEST agrees to enhance TMA to permit Internet access no later than April 30, 2001. Effective the first day of the first month after the closing of the merger between U S WEST, Inc. and Qwest, reasonable and customary charges specifically associated with any Tls between the Small CLECs and either the Denver or Omaha U S WEST computer center used to access TMA and receive billing and usage data (as designated by U S WEST as the appropriate computer center to be used by Small CLECs) will be waived or reimbursed by U S WEST until U S WEST completes the system modifications necessary to allow the small CLECs to access TMA and receive billing and usage data over the Internet.

b. U S WEST will meet with each interested CLEC (together or separately) within 90 days of jointly signing this agreement to (a) provide more detailed information regarding the following interface options, and (b) to establish a joint plan for conversion to the following desired interface:

i. Resale usage records are available in EMI/EMR format via an NDM Windows 95 compatible protocol now.

ii. Resale summary bill will be available via email in ASCII format by the fourth quarter 2000.

iii. Category 11 (Interexchange, CMRS/Wireless, CLEC and ILEC Transit) and billable toll and local records in ENDEMUR format via secure Internet access is being initiated and is scheduled for availability in 2000.

c. US WEST agrees that the IMA Graphical User Interface ("GUI") will be maintained at a level that provides the same pre-order and ordering functionality as IMA EDI. The nonrecurring charges for using IMA GUI and EDI will be the same. Until IMA GUI is available through Internet access, the nonrecurring charges for manual orders shall be the same as for IMA GUI and EDI orders.

3. Subject to the closure of the Merger, effective March 17, 2002, and subject to technical feasibility, US WEST will permit all Small CLECs operating in Minnesota the ability to adopt the terms of any effective interconnection agreements that were voluntarily negotiated and entered into by US WEST and CLECs in any other state in US WEST's operating territory, subject to the following conditions:

a. This provision does not apply to terms that were ever reached as the result of an arbitrated decision or any other decision in a contested case action, unless the terms which the CLEC seeks to adopt are present in interconnection agreements in a minimum of four other states in US WEST's territory; and

b. The prices for all services should, however, be determined based on Minnesota specific costs. Where no rate exists for the services in Minnesota, the rate approved in the originating state should be applied as an interim rate until a Minnesota specific rate can be determined; and

c. This provision does not apply to those determinations made by a state Commission which are based upon fact specific characteristics of a provider (e.g.

geographic scope and functionality of a specific provider in determining end office or tandem treatment).

The provisions in paragraph 3, 3.a., 3.b., and 3.c. shall remain confidential between US WEST and the Small CLECs and shall be implemented through an interconnection agreement amendment to be filed and effective on March 17, 2002, and which will expire on December 31, 2003. The requirements of confidentiality expire on March 17, 2002.

GENERAL TERMS AND CONDITIONS

A. In light of the provisions of this Confidential Stipulation, the Small CLECs agree to withdraw their opposition to the Merger and to encourage the expeditious processing of all proceedings before the MPUC.

B. This Confidential Stipulation and Agreement applies to each of the Parties and shall be binding on the successors and assigns of the Parties, and each will support this Confidential Stipulation and Agreement before all Minnesota regulatory agencies with jurisdiction and before all Minnesota and federal courts.

C. This Confidential Stipulation and Agreement is effective immediately pursuant to the terms and conditions contained herein. For a period of one year after the effective date of this Agreement, Small CLECs agree not to challenge this Confidential Stipulation or to request any other conditions to the Merger.

E. The Parties acknowledge that this Confidential Stipulation is the product of negotiations and compromise and shall not be construed against any Party on the basis that it was the draft of any or all portions of this Confidential Stipulation. This Confidential Stipulation constitutes the Parties' entire agreement on all matters set forth herein, and it supersedes any and

all prior oral and written understandings or agreements on such matters that previously existed or occurred in this proceeding, and no such prior understanding or agreement or related representations shall be relied upon by the parties.

F. This Confidential Stipulation and Agreement shall be enforceable as a Commission Order under Minn. Stat. §§ 237.27 and 237.461; and

G. This Confidential Stipulation may be executed in counterparts and by facsimile.

U S WEST COMMUNICATIONS, INC.

Dated: April 18, 2000

By: J. M. Tinkler

Title: Vice President - Wholesale

MOSS & BARNETT, A Professional Association

Dated: April 16, 2000

By: Michael J. Barnett

Attorneys on behalf of HomeTown Solutions, LLC;
Hutchinson Telecommunications, Inc.; Mainstreet
Communications, LLC; Onvoy Communications
Corporation; NorthStar Access, LLC; One Tail
Telcom, LLC; Paul Bunyan Rural Telephone
Cooperative; Tekstar Communications, Inc.; VAL-
ED Joint Venture, LLP and WETEC LLC